

December 17, 2009

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20511

Re: Proposed Changes to Closed-End Mortgage Rules (Docket No. R-1366)

Dear Sir or Madam:

Thank you for the opportunity to comment on the proposed rule amending Regulation Z with respect to closed-end mortgages. I am a loan originator working in Reno, Nevada. Having been in the mortgage industry over 10 plus years I agree consumer protections in the residential mortgage loan process are needed. I have some concerns with the proposals regarding loan originator compensation.

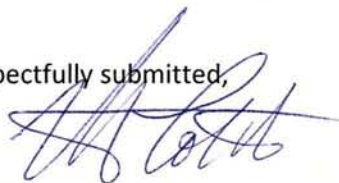
My employer is a small to mid-size lending institution. Our Customers often present unique or complex circumstances that make processing their loan application time consuming and challenging. I spend a great deal of time ensuring the customer understands all of the terms and get the product that is best for them. This level of attention is a vital piece of the overall transaction. We pride ourselves on this personal approach that is not available at large lending institutions where only volume and production matters or where the consumer has to deal with a call center.

If the proposed rule prevents my employer from paying adequate compensation for these loans, loan originators will be less inclined to take on complex loan applications that require extra customer service. This will create a chain reaction to the Real Estate market and further slow down the home buying experience and recovery of the economy. The consumer will suffer if the only choice for obtaining a loan is to deal with a large institution where they are only a number and where closing times are usually delayed.

If the board adopts the proposed restrictions on loan compensation, the limits should not apply to Conventional and Government prime loans. These loans have straight forward rules and do not create the same potential for abuse. The Board should exclude restrictions on loan originator compensation and allow for pricing discretion in these loans.

The new SAFE act requirements for loan originators, with all of the background checks, testing and continuing education requirements will significantly curb the past abuses that precipitated this proposal. The board should allow the SAFE act a chance to work before adding on additional regulations on loan originators.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'V. Lotito', is written over the typed name.

Vincent Lotito